

ORDINANCE NO. 771

AN ORDINANCE OF THE TOWNSHIP OF PENN, YORK COUNTY, PENNSYLVANIA, AMENDING ORDINANCE NO. 465 WHICH ESTABLISHES AND REGULATES A POLICE PENSION FUND ALONG WITH ADDITIONAL RIGHTS AND PRIVILEGES OF THE MEMBERS OF THE PENN TOWNSHIP POLICE FORCE ACCORDING TO THE PROVISIONS OF THE ACT OF MAY 29, 1956, P.L. 1804, AS AMENDED, QUALIFYING PARTICIPANT CONTRIBUTIONS, ELIMINATING A MONTHLY SERVICE INCREMENT FOR EACH COMPLETE YEAR OF SERVICE, ADDING A DROP PROGRAM AND ELIMINATING A KILLED IN SERVICE BENEFIT.

BE IT ENACTED AND ORDAINED, by the Penn Township Board of Commissioners, York County, Pennsylvania, and it is hereby ordained by the authority of the same that Ordinance No. 465 shall be amended as follows:

SECTION 1. AMENDMENTS

Section 3. Maintenance

Paragraph C the first sentence shall be amended to read:

C. The contributions of the participants in the amount equal and not to exceed five percent (5%) of monthly compensation.

Section 8. Normal Retirement Benefits and Vesting

The following Paragraph from Section 8 shall be amended to read:

D. A monthly service increment of One Hundred Dollars (\$100.00) for each complete year of service beyond twenty-five years up to a maximum of \$300 shall be added to a retiring Officer's pension benefit. This benefit will cease effective January 31, 2015. Any officer having an accrued benefit as of that date will retain it.

The following Paragraph shall be added to Section 8

E. Drop – Deferred Retirement Option Plan

1. A police officer who has fulfilled the age and service requirements for normal retirement, as set forth in Section 5 of the Penn Township Police Pension Ordinance shall be eligible to participate in the DROP at his or her option in conformance with this article.
2. Election to participate by an eligible police officer shall be made on any date within the length of the collective bargaining agreement terms and following the date on which the police officer fulfills the minimum age and service requirements for normal retirement under the pension plan. Once a police officer commences participation in DROP, he or she may not choose to end participation in DROP and resume contributions to the pension plan.

3. Election to participate shall be made by a binding and irrevocable letter of resignation from regular employment with the Township that discloses the member's intent to retire and specifies the member's retirement date. An irrevocable written election form to participate in the Drop shall be completed that includes an agreement to forgo active membership in the retirement system, any growth in the salary base used for calculating the regular retirement benefit, any additional benefit accrual for retirement purposes, specifies the effective date of the drop participate that shall be the day after the specified retirement date, and specified the DROP termination date that satisfies subsection four. The officer participating in a DROP may be paid out all, part, or none of his vacation time upon notification of participation in the drop so that the payout shall be included in his pension calculation. The DROP participant shall be eligible for all post-retirement benefits and for most pre-retirement benefits normally restricted to active employees.
4. The DROP term shall be for a period of no more than thirty-six (36) months from the date of entry. Termination of participation in DROP shall take place at the earlier of the end of the thirty six month period, or at any other time the police officer chooses to end his or her participation or if the participant is terminated from employment for reasons set forth under applicable Pennsylvania law, or if the participant dies.
5. Once enrolled in DROP, the DROP participant shall be retired under the Penn Township Police Pension Plan for the purpose of calculating pension benefits, but not for the purpose of employment with the Penn Township Police Department. The DROP participant shall continue to receive all other employee benefits and programs as set forth in the collective bargaining agreement. Once a police officer enters DROP, he or she shall no longer be required to make contributions to the pension plan, nor shall he or she be eligible for any further pension benefits other than the pension benefit determined in subsection 6.
6. Monthly DROP credit to the DROP account will be made at the participant's normal retirement benefit amount, determined by Section 8, subsection a of the Penn Township Police Pension Ordinance No. 465, at the date the police officer enters DROP.
7. The interest credited to a Drop participant account will be equal to actual interest but not less than 0% or more than 4.5% annually. The participant account, together with interest, will be held in the pension trust fund. The account balance shall be accounted for separately but need not be physically segregated from other pension trust fund assets.
8. Payment of the balance in the participant's drop account will be made to either the member or a beneficiary within forty five days after termination of DROP participation as either a lump sum or a tax sheltered rollover distribution. The DROP benefits are protected from State and municipal taxation but permitting claims under the Public Employee Pension Forfeiture Act and qualified domestic relations orders.

9. If while a police officer is enrolled in DROP, he or she is injured while on duty to the extent that he or she is permanently disabled from performing police work for Penn Township, the police officer shall be retired. Participation in DROP shall terminate, and distribution of accumulated pension benefits shall be disbursed to the retiree in accordance with IRS regulations, as well as applicable state and federal laws. The retiree shall not be eligible for Police Pension Plan disability benefits, since his/her pension benefits have been finalized as per Subsections five and six above.

Section 9. Pre-Retirement Death and Work Related Disability

The following Paragraph should be added

C. Effective with respect to deaths occurring on or after January 1, 2015, the killed in service death benefit shall no longer be payable under this plan or by the employer. In the event of the death of a Participant who is killed in service, survivor benefits shall consist of those benefits paid, outside of this Plan, by the Commonwealth under Act 51 of 2009.

SECTION 2. REPEALER

All ordinances or parts of ordinances, which are inconsistent herewith, are hereby repealed. Section one paragraph D of Ordinance No. 687 is repealed in its entirety.

SECTION 3. SEVERABILITY

If any provision of this ordinance is held invalid, said invalidity shall not affect any other provision or application of this ordinance.

SECTION 4. EFFECTIVE DATE

This Ordinance shall become effective on January 1, 2015.

ENACTED AND ORDAINED this 18th day of May, 2015.

Board of Commissioners of Penn Township

By:


Wendell S. Felix, President

Attest:


Melissa A. Miller, Secretary